



The Corporation of the  
City of Sault Ste. Marie

## COUNCIL REPORT

September 22, 2025

TO: Mayor Matthew Shoemaker and Members of City Council  
AUTHOR: Shelley J Schell, CPA, CA Chief Financial  
Officer/Treasurer  
DEPARTMENT: Corporate Services  
RE: 2025 City of Sault Ste Marie Credit Rating

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### **Purpose**

The purpose of this report is to provide information on the City's credit rating published by S&P Global Ratings on September 16, 2025.

### **Background**

The City has engaged S&P Global Ratings to provide an annual credit rating. A credit rating is a neutral third-party assessment of the financial health of the City and reflects how well an organization is managed financially, the current state of the local economy and the local government framework. The rating score is based upon key factors such as Institutional Framework, Economy, Financial Management, Budgetary Performance, Liquidity and Debt Burden. A Rating Score Snapshot can be found in the Ratings Direct report appended to this report.

### **Analysis**

The City of Sault Ste Marie's credit rating has been affirmed at AA+(stable) for 2025. The City's credit rating has been at the same level for the last several years. As noted in the report, an increase to the rating could occur if the local economy expands with growth prospects notably picking up and continued commitment to developing robust financial practices and policies. On the downside, the rating could be lowered if larger than expected capital spending occurs, leading to higher after-capital deficits and higher reliance on debt funding. Overall, the rating views the City's low debt burden as a key credit strength compared to our peers.

### **Financial Implications**

A strong credit rating will assist the City's ability to obtain long-term debt at competitive rates. The Rating Outlook as "stable" means that the rating is not likely to change in the next two years

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**Strategic Plan / Policy Impact / Climate Impact**

This is an operational matter not articulated in the Strategic Plan.

**Recommendation**

It is therefore recommended that Council take the following action:

Resolved that the report of the Chief Financial Officer/Treasurer dated September 22, 2025 concerning the 2025 City of Sault Ste Marie Credit Rating be received as information.

Respectfully submitted,

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Chief Financial

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